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J B Broadcasting, Inc.

3460 Torrance Blvd. suite 303 • Torrance, CA 90503 • (310) 540-4799 • Fax: (310) 540-9679

December 7, 1998

Mr. William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W. room 814
Washington, D.C. 20554

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Dear Mr. Kennard:

On behalf of J B Broadcasting, which owns and/or operates several low power television stations throughout California, including KTSB-LP, Santa Barbara and KDPX-LP, Palm Springs, I am writing today to express our views on three important issues affecting the future of television:

- Maintaining the existing UHF discount in calculating national television ownership to encourage emerging networks;
- Retaining the single majority shareholder rule as a vehicle for increasing minority, female and new entrant ownership of television stations; and
- Adoption of primary status for low power television stations pursuant to the rules proposed in Docket 97-268.

1. UHF Discount

Section 73.3555 (d)(3)(i) provides for a "discount" for UHF stations when considering national audience reach. Under this provision, only 50% of the television households within an ADI are attributed to a controlled UHF station.

Continuation of this discount will continue to fuel the growth of UHF based television networks. UHF stations, although having matured significantly in the last few years, still stand in stark disadvantage to VHF stations with their superior technical facilities. This disparity in facilities is continuing with DTV allotments which in many instances do not match the coverage of the analog facilities.

Emerging networks, such as PAX, Univision, and Telemundo serve minority and underserved markets. The emerging networks are built upon UHF stations and

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must own a significant portion of their distribution in order to be economically viable. By continuing the UHF discount, the Commission will ensure the continued development of these and other networks which serve minorities, women and others, such as older Americans who have been long overlooked by traditional broadcast networks.

2. Single Majority Shareholder Rule

The single majority shareholder rule provides that a network may hold up to 49% of the voting stock of a female, minority or new entrant-controlled station without having that station be attributed to the network for either national or local ownership calculations. This rule should remain in place to continue to encourage an increase in minority, female and new entrant ownership of broadcast television stations.

Sufficient safeguards currently exist to ensure that the single majority shareholder is in actual control of programming, operations and ultimate disposition of the station, while at the same time making it easier for stations to obtain third party financing. Such safeguards include operation of the Station vis a vis a standard affiliation agreement which would include, among other things, a provision for significant time during each programming day for carriage of non-network, locally originated, programming. In addition, it is appropriate to restrict options or other arrangements for purchase of the station by the television network which holds the minority interest.

3. Primary Status for Low Power Television

In MM Docket 97-268, the Commission is considering granting primary status to certain low power television stations. Coupled with retention of the above rules, this new status will work to greatly increase the number of minorities, women and new entrants into television ownership.

Traditional financiers will not generally lend to low power television stations because of the uncertainty caused by the secondary status of low power stations. As a result, many minorities, women and new entrants who have obtained low power stations have not been able to develop the degree of local and original programming

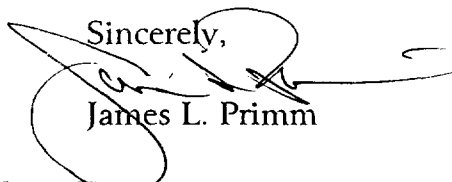
William E. Kennard, Esq.
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
that they would like because they often encounter difficulties in obtaining the funds for capital purchases such as new studio or transmission equipment. Permanent status will eliminate this uncertainty and will undoubtedly open up new avenues of financing for low power operators.

Permanent status will also help all low power broadcasters because they will be seen as serious contenders for network affiliations by many of the emerging networks who may start to look to low powers as an additional outlet for their programming. It is our experience as a PAX TV affiliate in Santa Barbara and Palm Springs that operating with a quality network helps a low power station obtain cable carriage, better channel position, TV Guide listings and other important indices of a television station. In turn, we are more economically viable and therefore able to produce quality local shows that are desired by our local audience.

Therefore, we strongly encourage retention of the UHF discount, the single majority shareholder rule and adoption of rules to give low power stations primary status. These three items, while seemingly of only moderate import, will serve as an impetus to the continued growth of new networks and a continued increase in UHF stations owned by minorities, women and new television entrants.

Please contact me if I can provide you with any additional information.

Sincerely,

James L. Primm

cc: Commissioner Gloria Tristani
Commissioner Michael K. Powell
Commissioner Harold Furchtgott-Roth
Commissioner Susan Ness
Susan Fox, Esq. (Senior Legal Advisor to Chairman Kennard)
Rick Chessen, Esq. (Senior Legal Advisor to Commissioner Tristani)
Jane E. Mago, Esq. (Senior Legal Advisor to Commissioner Powell)
Paul E. Misener, Esq. (Senior Legal Advisor to Commissioner Furchtgott-Roth)
 James L. Casserly, Esq. (Senior Legal Advisor to Commissioner Ness)

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COMMISSIONERS

Chairman William E. Kennard
Federal Communications Commission
1919 M Street, N. W. , Room 814
Washington, D. C. 20554

Commissioner Gloria Tristani
Federal Communications Commission
1919 M. Street, N. W., Room 826
Washington, D. C. 20554

Commissioner Michael K. Powell
Federal Communications Commission
1919 M. Street, N. W., Room 844
Washington, D. C. 20554

Commissioner Harold Furchtgott-Roth
Federal Communications Commission
1919 M. Street, N. W., Room 802
Washington, D. C. 20554

Commissioner Susan Ness
Federal Communications Commission
1919 M. Street, N. W., Room 832
Washington, D. C. 20554

SENIOR LEGAL ADVISORS

Susan Fox, Senior Legal Advisor
Chairman William E. Kennard
Federal Communications Commission
1919 M Street, N. W. , Room 814
Washington, D. C. 20554

Rick Chesson, Seniro Legal Advisor
Commissioner Gloria Tristani
Federal Communications Commission
1919 M. Street, N. W., Room 826
Washington, D. C. 20554

Jane E. Mago, Senior Legal Advisor
Commissioner Michael K. Powell
Federal Communications Commission
1919 M. Street, N. W., Room 844
Washington, D. C. 20554

Paul E. Misener, Senior Legal Advisor
Commissioner Harold Furchtgott-Roth
Federal Communications Commission
1919 M. Street, N. W., Room 802
Washington, D. C. 20554

✓ James L. Casserly, Senior Legal Advisor
Commissioner Susan Ness
Federal Communications Commission
1919 M. Street, N. W., Room 832
Washington, D. C. 20554